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A Citizens Communications Company

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AZ CORP COMMISSION  
DOCUMENT CONTROL

June 28, 2002

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

**RE: In the Matter of the Investigation of the Cost of Telecommunications Access,  
Docket No. T-00000D-00-0672**

Dear Corporation Commissioners and Staff:

Enclosed for filing in the above-captioned docket is the direct testimony of Curt Huttzell on behalf of Citizens Communications' three local exchange carrier affiliates: Frontier Citizens Utilities Rural (f/k/a Citizens Utilities Rural Company), Frontier Communications of the White Mountains (f/k/a Citizens Telecommunications of the White Mountains) and Navajo Communications Company, Inc.

Sincerely,

Curt Huttzell  
State Government Affairs

Enclosures

Arizona Corporation Commission  
**DOCKETED**

JUN 28 2002

DOCKETED BY	
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1                   **BEFORE THE ARIZONA CORPORATION COMMISSION**

2   WILLIAM A. MUNDELL  
3       CHAIRMAN

4   JIM IRVIN  
5       COMMISSIONER

6   MARC SPITZER  
7       COMMISSIONER

8   IN THE MATTER OF THE INVESTIGATION  
9   OF THE COST OF  
10 TELECOMMUNICATIONS ACCESS.

DOCKET NO. T-00000D-00-0672

11  
12                               DIRECT TESTIMONY OF

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14  
15  
16                               CURT HUTTSELL, PH.D.

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20  
21                               CITIZENS COMMUNICATIONS COMPANY

22  
23  
24  
25  
26  
27                               JUNE 28, 2002

**INTRODUCTION**

Q. Please state your name and give your business address.

A. My name is Curt Huttzell. My business address is 4 Triad Center, Suite 200, Salt Lake City, Utah 84180.

Q. By whom are you employed and in what capacity?

A. I am employed by Citizens Communications Company ("Citizens") as Manager, State Government Affairs.

Q. Please describe your current duties and responsibilities.

A. My responsibilities in Arizona include the management of regulatory and government affairs for Citizens' three rural incumbent local exchange companies ("ILECs") operating in Arizona. These three companies are Frontier Citizens Utilities Rural (f/k/a Citizens Utilities Rural Company), Frontier Communications of the White Mountains (f/k/a Citizens Telecommunications of the White Mountains) and Navajo Communications Company, Inc. I am responsible for the implementation of all regulatory policies, oversight of all regulatory activities including Citizens' intrastate rates and tariffs, and the management of state regulatory and legislative proceedings and relations. I have similar responsibilities for Utah and New Mexico.

Q. Please describe your education and professional experience.

A. I have been awarded B.S. and M.A. degrees in economics from Central Missouri State University and the Ph.D. in economics from the University of Nebraska.

1 I joined Citizens in July of 1999. Prior to joining Citizens, I was a Senior  
2 Economic Analyst with the consulting firm of INDETEC International. The  
3 domestic clients that I served while with INDETEC included U S WEST,  
4 BellSouth, Pacific Bell, Nevada Bell, GTE, Bell Atlantic and Cincinnati Bell.  
5 My international clients included the South Africa Telecommunications  
6 Regulatory Authority, Empresa de Telecomunicaciones de Santa fe de  
7 Bogotá and the Vodafone Network (Australia).

8  
9 I have also served as Utility Economist within the Telecommunications  
10 Section of the Utah Division of Public Utilities and as Research Economist on  
11 the Telecommunications Department Staff of the Missouri Public Service  
12 Commission. While with the Utah Division and the Missouri Commission, I  
13 worked on many issues, including state universal service funds, unbundling  
14 and interconnection, the structure of exchange access charges, incentive  
15 regulation, and network modernization

16  
17 My résumé is attached as Exhibit CH-1.

18  
19 Q. Have you previously testified before this Commission?

20 A. Yes. I testified before this Commission in Midvale Telephone Exchange's  
21 most recent general rate case, Docket No. T-02532A-00-0512.

22  
23 Q. Have you previously testified before any other state regulatory  
24 commissions?

25 A. Yes. While employed on regulatory staffs in Missouri and Utah, I testified  
26 before the Public Service Commissions in both states. While serving as a  
27 consultant, I testified before the Idaho Public Utilities Commission, the Iowa  
28  
29

1 Utilities Board, the Montana Public Service Commission, the Nebraska Public  
2 Service Commission and the Washington Utilities and Transportation  
3 Commission.  
4

5 **SUMMARY OF TESTIMONY**

6 Q. What is the purpose of your testimony?

7 A. The purpose of my testimony is to present Citizens' position on access  
8 reform in Arizona.  
9

10 Q. Please summarize your testimony.

11 A. Citizens recommends that this Commission bring switched access charges  
12 into closer correspondence with costs. The relevant measure of cost for  
13 determining the rate structure of public utility services is incremental cost,  
14 and the appropriate concepts of incremental cost for restructuring switched  
15 access rates are total service long-run incremental cost and its unit cost  
16 counterpart, average incremental cost.  
17

18 The level of Citizens' intrastate switched access rates in Arizona has  
19 supported the provision of basic local exchange services and helped keep  
20 basic rates low. Margins above incremental cost have been incorporated  
21 into Citizens' switched access rates that contribute toward covering the  
22 costs of basic local exchange service. Thus, bringing intrastate switched  
23 access rates into closer alignment with incremental costs will undoubtedly  
24 lower access rates significantly and thereby substantially reduce access  
25 revenue streams. In the absence of increased support from the AUSF,  
26 steep local rate increases, or large subscriber line charges ("SLCs"), will be  
27 needed to offset the associated reductions in access charge revenues.  
28  
29

1 Citizens believes that the most appropriate means to recover the lost  
2 revenue associated with access reform is to increase basic local exchange  
3 rates. The markups and non-cost-based rate elements presently included in  
4 intrastate switched access rates have contributed toward the payment of  
5 costs attributable to the access line component of basic local exchange  
6 services. This policy cannot be sustained much longer given the large  
7 reductions in access charges at the interstate level. Alternatively, Citizens  
8 recommends imposing a uniform statewide SLC as the Federal  
9 Communications Commission has done.

10  
11 To the extent that increased local exchange rates or a statewide SLC may  
12 appear to interfere with the goal of telephone service for everyone, the  
13 Commission should look to the Arizona Universal Service Fund ("AUSF").  
14 The AUSF should be viewed as a source for balancing the reduction in  
15 revenues that accompanies access reform. Because the appropriate or  
16 equitable reduction in access rates could have a substantial impact on an  
17 ILEC's revenues, a phased-in approach is the best way to avoid rate shock.  
18 It will be necessary for the Commission to complete such rate restructuring  
19 over a period of 3-5 years. Although the Commission's first instinct may be  
20 to require the ILEC to file a rate case to recover lost access revenues, a  
21 rate case filing requires extensive time and resources passed on to the  
22 customers. Citizens contends that this approach is burdensome, expensive,  
23 and unreasonable. Instead, the Commission should look outside the box  
24 and find other equitable means to recover lost revenues stemming from  
25 access reform.

1 Using its own access tariffs as a guide, Citizens suggests two approaches to  
2 restructuring exchange access charges. Citizens' preferred approach is to  
3 eliminate originating and terminating carrier common line ("CCL") charges  
4 altogether. CCL charges are usage-sensitive rate elements designed to  
5 recover the costs of supplying network access, but the costs of network  
6 access do not vary with usage. It is both inefficient and unfair to recover  
7 usage-insensitive costs through usage-sensitive charges.

8  
9 A second approach to access reform is to restructure access rates such that  
10 access revenues are reduced by half. This reduction in access revenues  
11 would bring switched access rates closer to incremental costs, which is a  
12 reasonably attainable target. Because it would result in an access revenue  
13 reduction similar in magnitude to eliminating CCL charges, this second  
14 approach will also require a 3-5 year phase-in approach. From the  
15 perspective of Citizens' three rural ILEC affiliates, reducing switched access  
16 revenues by half would increase the companies' need for some combination  
17 of increased local rates, a statewide SLC, and/or increased funding from the  
18 AUSF.

19  
20 **THE ROLE OF INCREMENTAL COST IN PRICING SWITCHED ACCESS**  
21 **SERVICE**

22 Q. Why do you contend that incremental cost is the relevant measure of cost  
23 for pricing telecommunications services?

24 A. Incremental cost is the relevant standard for promoting economic  
25 efficiency, and promoting economic efficiency is a key element in furthering  
26 the public interest. For a firm to attain economic efficiency, two conditions  
27 must be satisfied: (1) it must produce each service at the least possible  
28 cost, and (2) the value which consumers place on each service must be at  
29

1 least as great as the cost incurred by the firm in the production of the  
2 service. Of particular importance in promoting fair competition and  
3 economic efficiency among firms is the "incremental cost criterion," which  
4 requires that each cost incrementally imposed on a firm be compensated by  
5 associated revenues. This is a necessary condition for economic efficiency.  
6 Economic efficiency should be promoted within firms as well as among  
7 firms, whether regulated or not.

8  
9 Q. Please distinguish between incremental costs and accounting costs.

10 A. Incremental costs are prospective in nature. Incremental costs are based  
11 on the current or expected future cost to expand (or contract) the existing  
12 resources, using the most economical, forward-looking technologies to  
13 accommodate expected changes in output. For example, if the existing  
14 (embedded) network consists of part fiber optic cable and part copper  
15 cable, the firm's accounting costs would reflect this mix of technology.  
16 However, if all future growth and replacements will be accommodated using  
17 fiber optic cable, incremental costs would appropriately anticipate the cost  
18 of such expansion. That is, incremental cost anticipates the manner in  
19 which resources will be deployed in the future, rather than looking back to  
20 the manner in which resources were deployed in the past.

21  
22 Incremental costs necessarily reflect the value of assets in alternative  
23 employments; that is, the market value of assets, and incremental costs  
24 also include certain opportunity costs not found in accounting. This means  
25 economic depreciation, not accounting depreciation, should be used in  
26 determining incremental costs and a normal (risk adjusted) market return  
27 on equity should be included to represent the opportunity cost (best  
28 alternative use) of equity funds.



1 Q. What do you mean by total service long-run incremental cost and average  
2 incremental cost?

3 A. Total service long-run incremental cost ("TSLRIC") represents the forward-  
4 looking cost added (or saved) by offering (or discontinuing) an *entire*  
5 service or group of services, holding constant the production of all other  
6 services produced by the firm. The TSLRIC of a single service refers to the  
7 sum of the service's volume-sensitive cost and volume-insensitive cost.  
8 Volume-sensitive cost is the change in forward-looking cost caused by  
9 increasing (or decreasing) the output of a product or service.  
10 Volume-insensitive cost (sometimes called "service-specific fixed cost")  
11 represents that portion of the forward-looking cost of a single product or  
12 service that does not vary as the level of output varies.

13  
14 For an existing service, TSLRIC is equivalent to the cost saving that would  
15 result from reducing the volume of the service to zero, all else remaining  
16 constant. For a service not currently produced, TSLRIC is the total cost of  
17 increasing the volume of production from zero to some specific level, all  
18 else remaining constant.

19  
20 AIC simply represents the unit cost equivalent of TSLRIC; that is, AIC  
21 converts TSLRIC into a measure of incremental cost per unit of output.  
22 Thus, the AIC of a service is found by dividing its TSLRIC by the units of  
23 output produced.

1 Q. Why are TSLRIC and AIC the appropriate incremental cost concepts for  
2 restructuring switched access charges?

3 A. Economic theory establishes that public utility rates should equal or exceed  
4 incremental cost. Due to economies of scale and scope, however, rates  
5 equal to incremental cost are not financially viable. In the presence of  
6 economies of scale and scope, a multi-product firm pricing all of its  
7 products at incremental cost would experience overall financial losses.  
8 Thus, the incremental cost criterion usually is satisfied in practice by  
9 showing that the rate charged for each service exceeds the service's AIC.  
10 When a single rate is selected for a service, setting that rate to exceed the  
11 service's AIC normally satisfies this criterion because TSLRIC (and therefore  
12 AIC) includes both volume-sensitive and volume-insensitive costs. Unless  
13 there is an explicit public policy to the contrary, the regulated rates for each  
14 service should be set so that the revenue from the service in total covers  
15 the incremental cost of the service in total. This provides safeguards  
16 against both cross-subsidization and predatory pricing. For a firm to  
17 remain financially viable, rates must (on average) exceed this minimum  
18 requirement to recover the costs shared by multiple services.

19  
20 Q. Should switched access rates be brought into equality with incremental  
21 cost?

22 A. No. TSLRIC and AIC should be used as cost-based price floors for switched  
23 access services, not targets for setting precise charges. Multi-product,  
24 network firms like the Citizens' three rural Arizona ILECs are subject to  
25 economies of scale and scope. Firms subject to economies of scale and  
26 scope, such as Citizens' rural ILECs, are able to produce their products and  
27 services at lower costs than firms producing a single product or at smaller  
28 volumes. Despite this clear benefit, prescribing rates for all of an ILEC's  
29

1 products and services such that no service yielded revenues in excess of  
2 TSLRIC would generate financial losses for the firm. Instead, the full array  
3 of services produced by ILECs like Citizens' three rural affiliates, including  
4 switched access services, must contribute toward the payment of the firms'  
5 shared costs. The amount of contribution from each service should be  
6 determined by market conditions.  
7

8 **PRICING SWITCHED ACCESS SERVICES IN THE PUBLIC INTEREST**

9 Q. Will bringing switched access rates closer to incremental costs reduce  
10 Citizens' switched access revenues?

11 A. Yes. The intrastate switched access rates currently levied by Citizens' three  
12 rural Arizona ILECs contain margins over incremental cost that produce  
13 significant contributions toward the support of basic local exchange  
14 services. Reducing these margins will lower switched access rates  
15 appreciably, resulting in large reductions in switched access revenues.  
16

17 Q. Please explain your contention that Citizens' switched access rates produce  
18 significant contributions toward the support of basic local exchange  
19 services.

20 A. First, each and every access minute that Citizens or any other Arizona ILEC  
21 sells, whether originating or terminating, is marked up by a rate element  
22 that bears no relationship to the cost of supplying switched access. This  
23 rate element is the CCL charge. CCL charges are designed to recover the  
24 costs of supplying subscribers with access to network services. The  
25 facilities that provide subscribers with network access are called access  
26 lines, or local loops, or sometimes, common lines. Access line costs are  
27 properly attributable to the services, which cause them to be incurred --  
28 private line, special access, Centrex and the subscriber access component  
29

1 of basic local exchange service. While access line costs are appropriately  
2 recovered from such services, they should not be recovered from long  
3 distance and switched access.

4  
5 Even if one incorrectly believes access line costs are common costs, these  
6 costs are undeniably usage insensitive. Usage-insensitive costs should be  
7 recovered through flat rates, not usage-sensitive charges. Thus, CCL  
8 charges are not cost-based and should be eliminated entirely from  
9 intrastate access tariffs. The incremental costs associated with supplying  
10 network access should be recovered either from basic local rates or  
11 subscriber line charges.

12  
13 Second, even if Citizens' intrastate switched access revenues were cut in  
14 half the result would be a composite access rate per minute that would  
15 exceed the Company's estimates of the AICs of local switching and  
16 transport. While Citizens has not made such estimates for its Arizona ILECs  
17 recently, estimates produced for operations in other states using similar  
18 equipment and facilities strongly suggest that if Citizen's switched access  
19 revenues in Arizona were cut in half, it still would not bring its access rates  
20 into equality with AIC.

21  
22 Q. How is converting usage-sensitive CCL charges into higher local rates or a  
23 statewide SLC in the public interest?

24 A. Economic efficiency requires that prices reflect the manner in which  
25 suppliers incur the costs of producing goods and services. Not only should  
26 price levels be high enough to cover incremental costs but price structures  
27 should also match cost structures. As explained above, ILECs, like Citizens'  
28 three rural Arizona affiliates, incur network access costs when households  
29

1 and businesses subscribe to telephone service, and these costs do not vary  
2 with their subsequent usage. Thus, the current usage-sensitive CCL  
3 charges levied against interexchange carriers ("IXCs") constitute an  
4 inefficient "tax" on long-distance calling.

5  
6 While all taxes distort efficient outcomes, taxes applied at upstream stages  
7 in a vertical chain of production are particularly distorting. Switched access  
8 is essentially an input into the production of long-distance services;  
9 therefore, it is useful to think of ILECs as standing upstream in a vertical  
10 chain. Assessing CCL charges against IXCs essentially "taxes"  
11 telecommunications services twice, once when levied by the upstream  
12 ILECs and again when passed along in the retail prices of the downstream  
13 IXCs.

14  
15 Thus, usage-sensitive CCL charges result in switched access rates that are  
16 inefficiently high. IXCs are prevented from minimizing the costs of serving  
17 their customers, and telephone subscribers unduly stint themselves in the  
18 consumption of long-distance services.

19  
20 Q. Do you have other reasons for believing that converting the CCL charge  
21 into a flat rate is in the public interest?

22 A. Yes. It is clearly questionable whether Arizona ratepayers derive a net  
23 benefit from low basic local exchange rates, or the absence of state SLCs,  
24 when the Arizona intrastate toll rates are so high. Intrastate toll rates  
25 include the high cost of access that IXCs must pass through to their  
26 customers. On the other hand, interstate access charges have decreased  
27 over time, putting downward pressure on interstate toll rates. Thus, there  
28  
29

1 is a widening disparity between what customers have to pay when they  
2 make a call within Arizona, as compared with calls made interstate. This  
3 imbalance is not in the best interest of ratepayers.

4  
5 Moreover, the increasing divergence between interstate and intrastate  
6 switched access rates increases the incentive of IXC's to misreport the  
7 percent interstate use ("PIU"). ILEC's, like Citizens' three rural affiliates,  
8 must rely on PIUs reported by IXC's to assess access charges. If an IXC  
9 reports a higher PIU than it actually experiences, the effect is to reduce the  
10 access payments the IXC has to make and lower the intrastate access  
11 revenues earned by ILEC's.

12  
13 Q. What magnitude of switched access rate reductions does Citizens  
14 recommend?

15 A. Citizens has two alternative recommendations. Citizens preferred course of  
16 action is to eliminate originating and terminating CCL charges completely.  
17 As I have explained, CCL charges are not based on the incremental costs of  
18 providing switched access services and result in inefficiently high long-  
19 distance rates to the detriment of consumers. Alternatively, Citizens  
20 recommends adjusting rates for switched access services such that the  
21 revenues generated by these services are reduced by half. In Citizens'  
22 case, either course of action would leave the level of its switched access  
23 rates high enough to still provide support for basic local exchange services.

1 Q. How does Citizens recommend recouping the foregone revenues associated  
2 with its proposed switched access charge reductions?

3 A. Citizens believes that the most appropriate means to recover the lost  
4 revenue is to increase basic local exchange rates. Citizens understands  
5 that historically the Commission has attempted to keep basic local  
6 exchange rates as low as possible. However, in the changing  
7 telecommunications marketplace, the equitable approach is to have the  
8 cost of providing service covered by the rate paid by the customer. This is  
9 not always the case with basic local exchange rates. Therefore, it is  
10 reasonable for the Commission to allow for increases in basic local  
11 exchange service to help offset the decrease in access revenue. As an  
12 alternative, the Commission could institute a state SLC, as the FCC has  
13 done at the interstate level, as an appropriate recovery mechanism.  
14

15 Q. What magnitude of local rate increases would Citizens require to offset the  
16 reductions in switched access revenues that would accompany its proposed  
17 access charge reforms?

18 A. Because of their great dependence on the contribution from intrastate  
19 switched access services, Citizens three rural ILECs would need steep local  
20 rate increases to replace the lost access revenues associated with either of  
21 its recommendations. Alternatively, Citizens would require the inauguration  
22 of equally large SLCs.  
23

24 The size of the local rate increases or SLCs needed to offset the lost  
25 revenue accompanying Citizens' two reform proposals varies by company  
26 within the Citizens family. On average among Citizens' three rural ILEC  
27  
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29

1 affiliates, the magnitude of local increases or SLCs sufficient to compensate  
2 them for lost access revenues range from approximately \$5.50 to \$6.50 per  
3 line per month to as much, or more, than \$13.00 monthly per line.  
4

5 **REVAMPING THE AUSF**

6 Q. Does Citizens recommend that this Commission approve local rate  
7 increases, or the establishment of SLCs, large enough to compensate  
8 entirely for the loss of access revenues stemming from its proposed access  
9 charge reductions?

10 A. No. Citizens believes the largest local rate increase, or the biggest SLC,  
11 that its customers should be asked to bear is no more than \$3.00 per  
12 month. The remaining sacrifice in switched access revenues should be  
13 financed by the AUSF.  
14

15 Moving toward greater explicit support from the AUSF would contribute  
16 significantly toward the preservation of universal service in rural Arizona.  
17 Unless reliance upon access charges as a means of promoting universal  
18 service is lessened, widely available basic local exchange service at  
19 affordable rates is seriously threatened in high-cost, rural areas. As I have  
20 just shown, flat-rated charges associated with basic local exchange service  
21 may have to rise significantly to replace traditional sources of support, or  
22 rural carriers, such as Citizens' three Arizona affiliates, may not be able to  
23 generate the funds necessary to maintain, improve, and expand their local  
24 operations. Greater AUSF support is a fair and effective explicit  
25 replacement for the current system of implicit support.  
26  
27  
28  
29



1 Q. How may greater AUSF support become an efficient replacement for implicit  
2 support from access charges?

3 A. Once the implicit support coming from switched access charges has been  
4 lessened through either local rate increase or SLCs, the remainder of the  
5 support required for providing basic local exchange may be given greater  
6 explicitness through AUSF financing. Efficient explicit financing through the  
7 AUSF requires that a charge be levied against all telecommunications  
8 providers so that all providers share in the costs of funding universal  
9 service.

10  
11 In the new, increasingly competitive telecommunications environment, an  
12 economically sound and viable universal service provision and funding  
13 mechanism must be efficient. The size of the subsidy requirement and the  
14 sources of subsidy should be made explicit and administered in a  
15 competitively neutral manner. That is, once the level of subsidy necessary  
16 to maintain universal service is determined, it should be funded in a way  
17 that is efficient and distorts the competitive process as little as possible.

18  
19 This objective itself requires that the provision of universal service and the  
20 contribution assessment be borne by all competitors -- both incumbents  
21 and new entrants -- in a manner that preserves each competitor's relative  
22 efficiency as it vies for the patronage of customers in the market. When  
23 firms compete in the telecommunications market, all firms should either  
24 provide the facilities necessary for universal service or contribute to the  
25 carrier(s) having the universal service obligations, on an equitable and  
26 nondiscriminatory basis. The incumbents' retail services should not be  
27 required to bear more (or less) of the funding burden than the new  
28  
29

entrants' substitute services. In addition, it is desirable to use recovery mechanisms that are easy to understand and require minimal regulatory oversight once established.

Q. How should the Commission consider Citizens' recommendations regarding greater AUSF support for basic local exchange service?

A. It is imperative that the Commission address AUSF reform simultaneously with restructuring access charges, and Citizens strongly recommends that the Commission consolidate the AUSF docket and this docket. In the alternative, the two dockets should proceed concurrently. At the very least, the Commission must recognize that the issues raised in the two dockets are inextricably intertwined.

Q. Should the Commission require Citizens to file a general rate case to implement local rate increases, SLCs or increased AUSF support?

A. Citizens contends that under no circumstances should ILECs be required to file rate cases as a means to make up for foregone access revenues stemming from access reform. Rate cases are complex and resource intensive, and rate case expense is passed on to customers. This procedure and its appurtenant costs are unnecessary if the Commission restructures access tariff revisions in such a way that revenue neutrality is maintained.

#### **SUMMARY OF SPECIFIC RECOMMENDATIONS**

Q. Please summarize Citizens' specific recommendations in this docket.

A. Citizens recommends decreasing switched access rates and replacing the foregone revenues with either higher local rates or the establishment of an intrastate SLC. Citizens' preferred course is to eliminate CCL charges, but

1 reducing access charges such that switched access revenues are halved  
2 also seems a reasonable approach. Local rate increases or state SLCs  
3 should be applied uniformly to residence and business services and limited  
4 to \$3.00 per line per month. Increasing local rates or introducing a state  
5 SLC of \$3.00 or more should be phased-in over 3-5 years. After raising  
6 local rates or introducing a SLC, any remaining access revenue losses  
7 should be made up from the AUSF. ILECs like Citizens' rural Arizona  
8 affiliates should not have to file general rate cases when implementing  
9 these revenue-neutral rate rebalancing proposals.

10  
11 Q. Does this conclude your testimony at this time?

12 A. Yes.  
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**Résumé  
of  
CURT HUTTSELL, Ph. D.**

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**PROFESSIONAL EXPERIENCE**

**1999 to Present: MANAGER – STATE GOVERNMENT AFFAIRS**, Regulatory and Government Affairs, Frontier and Electric Lightwave, both Citizens Communications Companies, Salt Lake City, Utah.

Duties and Responsibilities:

- Manage regulatory and government affairs for Frontier and Electric Lightwave's operations in the states of Utah, Arizona and New Mexico.
- Currently serving as President of the Utah Rural Telecommunications Association, Vice President and Secretary of the Arizona Local Exchange Carriers Association and on the Board of Directors of the New Mexico Exchange Carriers Group.

**1996 to 1999: SENIOR ECONOMIC ANALYST**, Regulatory and Litigation Support, INDETEC International, Del Mar, California.

Duties and Responsibilities:

- Advise South Africa Telecommunications Regulatory Authority on privatization and liberalization in the global telecommunications industry.
- Advise Empresa de Telecomunicaciones de Santa fé de Bogotá (ETB) on satisfying the Superintendent of Public Services' cost manual requirements.
- Advise Vodafone Network on access pricing principles in an arbitration proceeding before the Australian Competition and Consumer Commission.
- Prepare an affidavit on behalf of Pacific Bell for filing in an access charge complaint proceeding brought by AirTouch before the Federal Communications Commission (FCC).
- Prepare written testimony for Qwest and stand for cross examination in universal service proceedings and cost dockets before various state regulatory commissions, including commissions in Idaho, Iowa, Montana, Nebraska and Washington.

- Advise Cincinnati Bell on the theory and measurement of market power in an alternative regulation proceeding before the Public Utilities Commission of Ohio.
- Prepare written testimony in state regulatory proceedings for other INDETEC expert witnesses on behalf of BellSouth, Cincinnati Bell, Nevada Bell, Pacific Bell, Qwest and Verizon.

**1994 to 1996: UTILITY ECONOMIST**, Telecommunications Section, Division of Public Utilities, Department of Commerce, State of Utah, Salt Lake City, Utah.

Duties and Responsibilities:

- Headed the Telecommunications Section team on interconnection, collocation and unbundling.
- Appeared as the witness for the Division on local transport rate restructuring in US WEST's 1995 general rate case.
- Appeared as the Division's principal policy witness in the local service applications of AT&T, Electric Lightwave, Brooks Fiber Communications (formerly Phoenix FiberLink), Qwest Communications (formerly Southern Pacific Communications) and NextLink.
- Assisted in the Division's lobbying efforts before the Utah State Legislature.

**1985-1994: ECONOMIST IV**, Telecommunications Department, Missouri Public Service Commission, Jefferson City, Missouri.

Duties and Responsibilities:

- Coordinator for the PSC Telemedicine Task Force.
- Chairman of the Telecommunications Committee of the Missouri Rural Opportunities Council.
- Chairman of the PSC Advisory Committee on Interactive Video.
- Chairman of the PSC Interactive Video Programming Task Force.
- Team Leader of the Project Team on Local Network Modernization and Incentive Regulation.
- Member of the joint FCC/NARUC Bellcore audit team.
- Appearing as a Witness for the Staff on the subjects of pricing and competition in telecommunications.
- Serving as the Staff's chief policy witness in proceedings involving the classification of AT&T's and Southwestern Bell's services as transitionally competitive and competitive.

**1980-1985: CHIEF TRANSPORTATION ECONOMIST**, Transportation Division,  
Missouri Public Service Commission.

Duties and Responsibilities:

- Formulating and presenting Staff recommendations to the Commission concerning the level and structure of rates and fares for motor common carriers of passengers and property.
- Appearing as the Staff witness in cases involving the entry, expansion or exit of motor common carriers.
- Assisting in the ratemaking audits of both truck and bus lines, especially in the area of statistical audit sampling.

**1975-1980: ASSISTANT PROFESSOR**, Department of Business and Economics,  
Saint Ambrose University, Davenport, Iowa.

Duties and Responsibilities:

- Teaching undergraduate courses in the following subjects: principles of economics, intermediate microeconomics and macroeconomics, introductory and intermediate business and economic statistics, and international trade and finance.
- Serving on the Admission and Library Committees and the Academic Council.

**1973-1974: INSTRUCTOR**, Department of Business and Economics, Briar Cliff  
College, Sioux City, Iowa.

Duties and Responsibilities:

- Serving as Chairman of the Department of Business and Economics.
- Teaching undergraduate courses in the following subjects: principles of economics, intermediate microeconomics and macroeconomics, introductory business statistics and mathematics of finance.

### **EDUCATION**

- **Ph. D.**, Economics, University of Nebraska, Lincoln, Nebraska, 1979.
- **M. A.**, Economics, Central Missouri State University, Warrensburg, Missouri, 1971.
- **B. A.**, Economics, Central Missouri State University, 1969.

### **PUBLICATIONS**

- "State Economic Regulation of Motor Carriage: Research Procedures on the Law and Its Interpretation," Department of Agricultural Economics Staff Paper No. 12, College of Agriculture, University of Nebraska-Lincoln (1976).
- Co-author of two chapters in Regulation and Deregulation of the Motor Carrier Industry (Iowa State University Press, 1989), edited by J.R. Felton and D.G. Anderson.

### **HONORS, AWARDS AND SCHOLARSHIPS**

- National Defense Education Act, Title IV Fellowship, University of Nebraska, 1970-1973.
- Joseph F. Dolecki Award, Outstanding Graduate Student in Economics, Central Missouri State University, 1969.